

- **Board of Directors**  
**Engineering and Capital Programs Committee**

July 8, 2008 Board Meeting

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**7-3**

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**Subject**

Authorize reimbursable agreement for relocation of the Santa Monica Feeder in the City of Beverly Hills

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**Description**

This action authorizes the General Manager to execute an agreement with Project Lotus, LLC, substantially on the terms outlined in this letter, to relocate about one-third mile of the Santa Monica Feeder. All costs incurred by Metropolitan for the relocation will be reimbursed by Project Lotus, LLC.

**Background**

The Santa Monica Feeder was originally installed in 1941. The feeder distributes treated water to the cities of Glendale, Burbank, Los Angeles, Beverly Hills, and Santa Monica. The pipeline extends approximately 24 miles in a southwesterly direction starting at the Eagle Rock Control Tower, and terminates at the SMN-1 service connection in the city of Santa Monica. It varies in size from 84 inches to 28 inches in diameter. In December 2006, Metropolitan, in coordination with the city of Los Angeles, completed a two-mile-long relocation of the Santa Monica Feeder within the city of Los Angeles as part of the Santa Monica Boulevard street beautification project.

On April 9, 2008, the Beverly Hills City Council approved a residential condominium and retail mixed-use project located at 9900 Wilshire Boulevard and known as the 9900 Wilshire Project. The project site is bounded by Wilshire Boulevard to the north, Merv Griffin Way to the east, Santa Monica Boulevard to the south, and the Los Angeles Country Club on the west (see [Attachment 1](#)). The developer is Project Lotus, LLC.

The 9900 Wilshire Project includes demolition of the existing vacant Robinsons-May building and associated parking structure, and construction of condominium units, commercial buildings, retail space, and indoor and outdoor dining space.

**Santa Monica Feeder Relocation**

Metropolitan's 28-inch-diameter cast iron Santa Monica Feeder pipeline is located within the western boundary of the 9900 Wilshire Project, within a 10-foot easement. After review of the proposed project plans, Metropolitan staff determined that the structural integrity of the existing cast iron line could not sustain the increased loading, vibration, and movement expected by the demolition activities and construction. Metropolitan and Project Lotus, LLC have mutually agreed to relocate about one-third mile of the Santa Monica Feeder. This relocation will preserve the integrity of the feeder, allowing Metropolitan to continue delivering water reliably to our member agencies. Project Lotus, LLC has requested that the relocation be expedited to minimize disruption to its project schedule. The majority of the new alignment will be located within Merv Griffin Way, which is a private street. As a result, Metropolitan will obtain a new easement for that portion of the new alignment. The remaining sections of the relocated line will be sited in public right-of-way along Santa Monica Boulevard, Wilshire Boulevard, and Whittier Drive.

All costs incurred by Metropolitan for relocation of the Santa Monica Feeder will be reimbursed by Project Lotus, LLC. Metropolitan has requested and received a \$50,000 deposit to prepare an agreement and cost estimate, and to perform preliminary design for the pipeline relocation. Following board authorization, Metropolitan will enter into an agreement with Project Lotus, LLC. Under the agreement, Metropolitan staff will perform final design and prepare plans and specifications. Project Lotus, LLC will retain a contractor to relocate the Santa Monica Feeder using the construction documents provided by Metropolitan. Construction inspection

will be performed by Metropolitan to ensure quality control. The total cost of the project is estimated to range from \$1,800,000 to \$2,500,000.

This action authorizes the General Manager to execute an agreement with Project Lotus, LLC substantially on the terms outlined in this letter, and in a form approved by the General Counsel, for relocation of a portion of the Santa Monica Feeder. This project is consistent with Metropolitan's goals for sustainability by enhancing the reliability of the existing distribution system, in order to maintain reliable water deliveries in the future.

## **Policy**

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Metropolitan Water District Administrative Code Section 8122 (c): Relocation Agreements

### **California Environmental Quality Act (CEQA)**

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CEQA determination for Option #1:

Pursuant to the provisions of CEQA and the State CEQA Guidelines, the city of Beverly Hills, acting as Lead Agency, prepared and processed a Final Environmental Impact Report (Final EIR) for the 9900 Wilshire Project (State Clearinghouse Number 2006071107) that also evaluated relocation of utilities as part of the new development. The Final EIR was certified and the overall development was approved by the Lead Agency on April 9, 2008. The Lead Agency also approved the Findings of Fact (findings), the Statement of Overriding Considerations (SOC), and the Mitigation Monitoring and Reporting Program (MMRP). Metropolitan, as a Responsible Agency under CEQA, is required to certify that it has reviewed and considered the information in the certified Final EIR and adopt the Lead Agency's findings, SOC, and MMRP prior to approval of the formal terms and conditions of the agreement with Project Lotus for relocation of the Santa Monica Feeder. The environmental documentation is available in the Board Executive Secretary's Office for review.

The CEQA determination is: Review and consider information provided in the certified 2008 Final EIR and adopt the Lead Agency's findings, SOC, and MMRP related to the agreement.

CEQA determination for Option #2:

None required

## **Board Options**

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### **Option #1**

Adopt the CEQA determination and authorize the General Manager to execute an agreement with Project Lotus, LLC for relocation of the Santa Monica Feeder.

**Fiscal Impact:** None. All project costs are fully reimbursable by Project Lotus, LLC.

**Business Analysis:** This option will preserve Metropolitan's distribution system reliability because the new 9900 Wilshire Project overlying this section of line could impact the structural integrity of the existing pipe.

### **Option #2**

Do not authorize an agreement and request the developer to re-design the project, providing necessary protection to Metropolitan's existing pipeline during construction.

**Fiscal Impact:** None

**Business Analysis:** This option will pose a higher risk of damage to the existing 67-year-old cast iron pipeline during construction.

**Staff Recommendation**

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Option #1

  
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Roy L. Wolfe  
Manager, Corporate Resources

6/13/2008

*Date*

  
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Jeffrey Kightlinger  
General Manager

6/19/2008

*Date*

**Attachment 1 – Location Maps**

BLA #6195



